

1 H.632

2 Introduced by Representative Seymour of Sutton

3 Referred to Committee on

4 Date:

5 Subject: Taxation; income tax; exemption; Social Security benefits

6 Statement of purpose of bill as introduced: This bill proposes to amend the  
7 Vermont personal income tax exemption for Social Security benefits by  
8 exempting all federally taxable Social Security benefits, regardless of a  
9 taxpayer's adjusted gross income.

10 An act relating to exempting all Social Security benefits for all Vermonters

11 It is hereby enacted by the General Assembly of the State of Vermont:

12 Sec. 1. 32 V.S.A. § 5811(21)(B)(iv) is amended to read:

13 (iv) ~~the portion of~~ federally taxable benefits received under the  
14 federal Social Security Act ~~that is required to be excluded under section 5830e~~  
15 ~~of this chapter~~; and

16 Sec. 2. REPEAL

17 32 V.S.A. § 5830e is repealed.

18 Sec. 3. 32 V.S.A. § 5813(w) is amended to read:

19 (w) The statutory purpose of the ~~partial~~ exemption of federally taxable  
20 benefits under the Social Security Act in ~~section 5830e~~ subdivision

1 5811(21)(B)(iv) of this title is to lessen the tax burden on Vermonters ~~with low~~  
2 ~~to moderate income~~ who derive part of their income from Social Security  
3 benefits.

4 Sec. 4. EFFECTIVE DATE

5 This act shall take effect on January 1, 2023 and apply to taxable years  
6 beginning on and after January 1, 2023.